

[Skip to content](#)



[Share](#)

- [Economy](#)
- [National Security](#)
- [Budget](#)
- [Immigration](#)
- [The Opioid Crisis](#)



Remarks

## Remarks by President Trump, Vice President Pence, Members of Congress, and Members of the Cabinet in Meeting on Trade

[Infrastructure & Technology](#)

Issued on: February 13, 2018

• Share:



[All News](#)

Cabinet Room  
11:44 A.M. EST

THE PRESIDENT: Okay, thank you very much. I'm delighted to welcome both Republicans and Democrats. Nice sound. Isn't that a nice sound? And we won't be discussing DACA, but there's plenty of discussion right now going on about DACA from both the House and the Senate, to the White House.

We're here today to discuss a matter of vital importance to our nation's economy and security, and I've been discussing it for years. And I've certainly discussed it in great detail on the campaign trail. That's America's aluminum and steel industries, and many other industries where we are taken advantage of by other countries. And I alluded to it yesterday, too.

Last year, I directed the Secretary of Commerce to investigate whether steel and aluminum imports are threatening to impair U.S. national security. You see what's happened with our steel and aluminum industries. They're being decimated by dumping from many countries, in particular one, but many countries. They're dumping and destroying our industry and destroying the families of workers. And we can't let that happen.

Secretary Ross submitted the result of the investigations to me last month. My administration is now reviewing the reports and considering all options. And part of the options would be tariffs coming in. As they dump steel, they pay tariffs — substantial tariffs — which means the United States would actually make a lot of money, and probably our steel industry and our aluminum industry would come back into our country. Right now, it's decimated.

It'll make a decision, and I will make a decision that reflects the best interests of the United States, including the need to address overproduction in China and other countries. You have countries that are so overproducing, and what they're doing is they are dumping it on us. And you look at empty factories, steel factories, and plants, and it's a very sad thing to look at.

I've been watching — I've been looking at them for two years, as I went around campaigning. No matter where you go, you look at them and see what happened to U.S. Steel and these other companies. They were the giants and now they're hanging on for their life.

I look forward to hearing your views, and I'd like to have some of you speak. And you have very strong — I know, Roy, you do, and we all do, probably, have pretty strong views on this.

I look at it two ways: I want to keep prices down, but I also want to make sure that we have a steel industry and aluminum industry, and we do need that for national defense. If we ever have a conflict, we don't want to be buying the steel from a country that we're fighting because somehow that doesn't work very well.

But we hopefully won't have any conflicts, but we still have to consider that. And we have to look at the national defense, and we have to look at a steel industry. We cannot be without a steel industry. We cannot be without an aluminum industry. And so what we're talking about is tariffs and/or quotas.

I think maybe, Roy, would you like to start? We've discussed this over the past. Do you have any suggestion?

SENATOR BLUNT: Well, Mr. President, I think we do need to be careful here that we don't start a reciprocal battle on tariffs. You know, we make aluminum and we make steel in Missouri, but we buy a lot of aluminum and we buy a lot of steel as well —

THE PRESIDENT: That's right.

SENATOR BLUNT: — from bass boats to beer cans. There's a lot of aluminum out there. We've got an aluminum manufacturer that closed down, but with special electric rates is reopening under new management.

And so, clearly, we're concerned about those new jobs, but also concerned about all the jobs — whether it's in the electric steel area or the aluminum area, are very, very price sensitive here.

THE PRESIDENT: Good. And I understand that very well. One thing I just — I do want to tell you, we just got this notice. General Motors in Korea announces the first step in necessary restructuring. They're going to — GM Korea company announced today that it will cease production and close its Gunsan plant in May of 2018, and they're going to move back to Detroit.

You don't hear these things, except for the fact that Trump became President. Believe me, you wouldn't be hearing that. So they're moving back from Korea to Detroit. They're moving.

Also, you saw Chrysler moving from Mexico to Michigan. And you have many other companies. They all want to be where the action is. The big tax cuts had a big impact. And Kevin knows that maybe better than anybody. But it had a big impact on that decision.

But when you see that General Motors — we have a very bad trade deal with Korea. Very, very bad trade deal. It's a deal that — it's incompetent that somebody could have made a deal like that.

So we have a horrible trade deal with Korea. But now, even before we do something with that — because we're negotiating the trade deal with Korea, and we'll either negotiate a fair deal or we're going to terminate the deal. But before we do that, already General Motors is coming back into Detroit. That is a really significant statement. Many others to follow from many other countries.

Mike, go ahead.

REPRESENTATIVE BOST: Mr. President, let me tell you that 2,800 people were laid off in my district in 2015, in a steel plant that's been operating for over 100 years. The concern that we have is, is that steel plant produces what's known as the oil country tubular goods — OCTG.

OCTG, when we're doing the expiration, and everything like that, in oil that we are — but Korea has dumped 200 percent in the last year in an overabundance into that particular market. Because of that, we're not able to get those 2,800 jobs back. And like I said, those have been there. That group of people there —

THE PRESIDENT: So where did it go? It went to Korea?

REPRESENTATIVE BOST: All of the products that — they're even coming from Korea now that we've turned up. And unless we use the power under 232 — because if something goes south, now all of a sudden, while we're trying to become energy independent — but these plants don't turn up overnight, and we've got to try to do something to work for a long-term goal with that.

THE PRESIDENT: The Korean Agreement — as you know, Mike, and most of the people at this table — that was done by the last administration. It was supposed to produce 150,000 to 200,000 jobs. And it did — for Korea. For us, it produced nothing but losses. It's a horrible deal. All you have to do is look at it. You know it's going to be bad.

So the Korea deal was a disaster. It was supposed to be good for us, and it turned out to be very bad for us. And just — you know, you're one example of it, but there are many examples all over the country. So I just think that General Motors moving back into Detroit is just a fantastic thing. That's just a sign of many other companies to come.

Mike Pence, would you have something to say?

THE VICE PRESIDENT: Well, thank you, Mr. President. I just want to thank all of the Republican and Democrats taking time to be here and their profound interest in this issue.

To your point, this is about our economy, but it's about national security. And the President directed a 232 review to determine whether or not our national security has been affected by the dumping of steel and aluminum.

And today, it is very much the President's desire, our administration's desire to hear from each of you and the perspectives that will also inform the decisions that the President will make.

I think that it's fair to say that we all support national security. I think that's evidenced by the recent budget agreement that the President helped drive, and Republicans and Democrats have supported, for a historic increase in our national defense.

But we also all support American jobs. And we very much look forward to your counsel as the President approaches this decision, and I appreciate the bipartisan spirit of this meeting and the conversation that will follow.

THE PRESIDENT: And really, as Mike said, I want to hear from both sides. We have a lot of great representatives, both Democrats and Republicans. I want to hear from both sides before we make the decision.

In one case, you're going to create jobs. You may have a higher price or maybe a little bit higher, but you're going to have jobs. In the other case, you may have a lower price, but you're not going to have jobs; it's going to be made in China and other places. So those are big decisions. But, to me, jobs are very important.

Todd, do you have something to say?

SENATOR YOUNG: Mr. President, thank you for having us here today. I represent a state that is not only a major manufacturer of steel — we have U.S. Steel, ArcelorMittal, and others who are manufacturing it — but we have the downstream users, which you alluded to. So, clearly, you understand the need to balance the two, to come up with a balanced approach here.

I think the main target — and I'll just speak plainly with you, sir — should be China. They're violating the international rules, stealing our intellectual property, overproducing steel products and other products. And —

THE PRESIDENT: We've spoken to them very, very strongly. We've told them. We have something coming up in the very near future that you know. But we have told them it just can't continue.

We have a trade deficit with China — that I inherited, by the way — but we have a trade deficit of \$504 billion, okay? So, if you think of it, when you look at how well they do, and how many bridges they're building, and how many jets they're building, and fighter planes — we did it. We did it. People that sat in my seat allowed them to do this.

So we're not going to allow that. We're talking to them right now, very strongly. And hopefully we'll have a great relationship, but we're talking to them very strongly, Todd. You're right — it's a big percentage of our deficits. And the money that we've lost and the jobs that we've lost to China, it's unthinkable that people allowed that to happen.

And this is over a period — not just Obama. This is over a period of many years this has happened.

So thank you very much, Todd.

Pat, would you like to say something?

SENATOR TOOMEY: Sure. Thanks very much, Mr. President. I would just urge us to go very, very cautiously here, especially with section 232.

As you know, our defense needs consume about 3 percent of domestic steel consumption. So I think it's implausible to believe that we're not able to meet the needs of our defense industry, which is absolutely essential.

Imports in 2016 were 16 percent of domestic consumption. So the vast majority of the steel we consume, we in fact produce ourselves — which is the way I prefer it, and it is the case today. China was down to 2 percent of the 16 percent, so a very, very small portion.

My main message —

THE PRESIDENT: But they have transshipping.

SENATOR TOOMEY: Absolutely. So —

THE PRESIDENT: They would ship to other countries, and their steel would come in from other countries so that you can't see where the steel is coming from.

SENATOR TOOMEY: Right. So what I would urge is, any country that is violating our trade laws and our trade agreements, go after them. Countervailing duty and the dumping, if that's happening.

THE PRESIDENT: That's all countries. That's all countries.

SENATOR TOOMEY: But the 232 is a different matter, and invoking national security, when I think it's really hard to make that case, invites retaliation that will be problematic for us.

THE PRESIDENT: Well, the word "retaliation," Pat, is interesting. And I know you agree with this. We have so many countries where we made a product, they make a product, they pay a tremendous — we pay a tremendous tax to get into their countries — motorcycles, Harley Davidson — it goes into a certain country. I won't mention the fact that it happens to be India, in this case. (Laughter.)

And a great gentleman called me from India and he said, we have just reduced the tariff on motorcycles, reduced it down to 50 percent — 5-0 — from 75, and even 100 percent. And we have — if you are Harley Davidson, you have 50 to 75 percent tax, tariff to get your motorcycle, your product in. And yet they sell thousands and thousands of motorcycles, which a lot of people don't know, from India into the United States. You know what our tax is? Nothing.

So I say we should have reciprocal taxes for a case like that. I'm not blaming India. I think it's great that they can get away with it. I don't know why people allowed them to get away with it. But there's an example that's very unfair. And I think we should have a reciprocal tax.

That's called fair trade. It's called free trade. Because ultimately, what's going to happen — either we'll collect the same that they're collecting, or, probably, what happens is they'll end up not charging a tax and we won't have a tax. And that becomes free trade.

So we have too many examples like that. And the word "reciprocal," as Pat said — I mean, the word "reciprocal" is a very important word. We have countries that are taking advantage of us. They're charging us massive tariffs for us to sell our product into those countries. And when they sell to us, zero. We charge them zero. We're like the stupid people, and I don't like to have that anymore.

So we're going to change that, and we're going to make it fair. And that, I call that fair trade. And, again, one of two things will happen. But I think what's going to happen is they'll just reduce their tax to the same as our tax.

Mike, would you like to say something?

SENATOR LEE: Yeah, sure. One of the things that worries me with regard to this proposed action is that there's so many things manufactured in the United States; there's so many jobs attached to so many things manufactured in the United States that use steel and aluminum as inputs.

Now in the case of steel, we're talking about 16 percent that's imported. But the availability of those imports and the absence of additional duties on those means that those goods can be manufactured and sold more cost effectively. That keeps a whole lot of people, including a whole lot of voters in each of our states — a whole lot in mine, certainly — in jobs.

And so, even though there may be some job winners from an action like this, I strongly suspect that, as has at times been the case in the past, you would end up with net job losses in the United States. And that's what worries me here, particularly in light of the absence of what I can see as a real national security threat. Only 3 percent of what we're able to produce domestically is what's needed for our national security reasons, and I think that ought to be taken into account.

THE PRESIDENT: No, that number is going way up because of our big military spending now. You know we — something we all agree on. We had to do a lot of work on our military. Our military had not been taken care of properly, and now it's being taken care of properly. So that 3 percent number will be going way up. But at the same time, it's not a tremendous — you know, it's not — as a percentage, it's not a tremendous number.

I will say this: Steel and aluminum are interesting. It will create a lot of jobs. I believe that some of the dumpers will eat a lot of the tax themselves because they do it to keep people working. And we do it for that and other reasons.

But I will say that a finished product is a much simpler thing. As an example, Germany sends us cars. We send them cars; they practically don't take them. I mean, how many Chevrolets do you see in the middle of Berlin? Not too many, folks. (Laughter.) Not too many. But they send Mercedes, they send BMW. They send them over here in tremendous numbers.

Japan sends us tremendous numbers of cars. They also make cars. In a way, there's no tax. All they have to do, Mike, is, very simple — they do a factory here. There's no tax. Now all of a sudden there's no tax. So they'll build factories here in order to avoid the tax.

But with cars, with television sets, with things like that, where they're dumping them on us — we don't make television sets anymore in this country. They come from South Korea, and they come from, to a lesser extent, Japan. Most of them come from South Korea. It's not fair. And I believe that we should have reciprocal taxes on that, likewise.

That's a different product, that's a much simpler — you know, we did it with the washing machines, as you saw a couple of weeks ago. It's had a huge impact on that industry. A huge impact. And, by the way, you know what's happening? The people that made the washing machines outside of this country are now expanding their factories in the United States so they don't have to pay the 25 and 30 percent tax.

And the same thing is happening with the solar panels. We're starting to make — we had 32 companies. I think we're down, Gary, to two, right? We made solar panels, but every one of our companies was wiped out. And I have to say this, and this is agreed to by — we made a much higher quality, a much better solar panel. We make them better, but we couldn't compete. Now — and we've had a lot of good — a lot of places are opening up. They're starting to make solar panels again.

So with a finished product, it's a little bit different. But again, with steel and aluminum, which is what we're talking about today — you know, that's a good point, Mike. You're right. The question is, would you rather pay a little bit more and create jobs all over the country? And it's possible you won't be creating — really, you won't be having much of a problem in terms of pricing. Because I actually think a lot of the countries are going to eat it because they want to continue to, you know, export. And they're making a fortune.

Look, we have rebuilt China. We have rebuilt a lot of — with the money they've taken out of the United States. We're like the piggybank that had people running it that didn't know what the hell they were doing. And we have rebuilt countries, like, massively. You look at some of these countries — look at South Korea, look at Japan, look at so many countries. And then we defend them, on top of everything else.

So we defend Saudi Arabia. They pay us a fraction of what it costs. We defend Japan. We defend South Korea. They pay us a fraction of what it costs. And we're talking to all of those countries about that because it's not fair that we defend them, and they pay us a fraction of the cost of that defense. Separate argument, but a real problem.

Gary, would you like to say something?

MR. COHN: Senator Wyden, would you like —

THE PRESIDENT: Senator, go ahead.

SENATOR WYDEN: Thank you, Mr. President. We have Senator Brown, Senator Peters, Senator Casey. So you've got a good collection from the Finance Committee and the Commerce Committee.

I'll just make two points really quickly, Mr. President. First, yesterday, you all released the infrastructure plan. And I looked at it very carefully, and I couldn't see even any incentives, let alone requirements, to use American steel. Now, Senator Brown, I think, always says this is a great opportunity for bipartisanship. If we can work with you on that one, that ought to be a no-brainer.

THE PRESIDENT: We can. It's a very easy one.

SENATOR WYDEN: And there's one other thing, on that point, Mr. President. I'll be very brief. And that is, actually, with respect to American steel, the way the plan reads now, it actually allows the states to walk back from commitments to use American steel. So point one would be, could we work with you on that?

Point two is, the Secretary and Ambassador Lighthizer have been very forthcoming in working with us. But we have been trying to see this 232 report. And we appreciate your asking us for our advice. We will need to see that report in order to give you more specifics. But I come back to Senator Brown's point, I think there's an opportunity for real bipartisanship here, and those would be two areas.

THE PRESIDENT: I agree. And I'd like you to come back with a suggestion on infrastructure and the plan. And I think that's a bipartisan plan.

I will tell you, when I approved the two pipelines — the Keystone and — you know, we did the two big ones. And when I approved them, I said, "Where's the steel being made?" And they told me a location that did not make me happy. And I wrote down that from now on steel is being made for pipelines — as you know, it's got to be made in the United States. And it's got to be fabricated in the United States. And so I'm a believer in that also.

But if you would come back with a suggestion, that would be great.

Bob, what about 232?

AMBASSADOR LIGHTHIZER: Well, I think we could put out the report. But rather than focus on that, let me just say, I want to, sort of, second what the Senator says. Trade has always been bipartisan in this country and just until the last few years. And I really think, with this and with NAFTA and the other things we're doing, we can have Democrats and Republicans vote in large number together and start a new way to approach this.

That really is the point that I wanted to make. I think Senator Wyden and I think Senator Brown feels exactly —

PARTICIPANT: And Senator Casey.

PARTICIPANT: Can I speak on that, too?

THE PRESIDENT: Go ahead.

SENATOR BROWN: Thank you. I very much appreciate the work that Ambassador Lighthizer has done, generally and specifically, on 232. And Secretary Ross has worked on 232. And I want to talk for a moment about NAFTA. Not too much, but Ambassador Lighthizer has been so good on that.

I mean, trade, as he says, has always been nonpartisan. And I think good evidence of that is what Senator Portman, my colleague from Cincinnati — I'm from Cleveland — what we've been able to do together on Level the Playing Field Act; on trade remedy; on trade enforcement; on currency; and most recently, on Clyde, Ohio, on the washing machine case. And we appreciate what you've done here.

I sent the President and the transition staff — three days after the election, sent him a letter outlining what we can do together in trade. And the President — thank you — sent back a nice handwritten note about that. I appreciate working together on everything from TPP, to non-market economy status, to 232, to the washing machine case, to all of those issues. And I asked, in the washing machine case, it's 3,000 jobs in a small town in Northwest Ohio, and an hour from Toledo. So that really matters to a lot of families.

I'm hopeful we can do quick action on 232. It needs to be comprehensive; aimed, as Todd said, certainly at China. But beyond China, 232 needs to apply more broadly.

And I also — I will just conclude that we can work on NAFTA together. Well, I will work if NAFTA is written in a way that supports workers, as I'm confident it will be, with Ambassador Lighthizer's handprints on it, that we can deliver Democratic support. It will be bipartisan if done right. And that's my reputation and that's what I'll continue to fight for.

And I know Senator Wyden, and Senator Casey, and Senator Peters are on board with that.

THE PRESIDENT: Good. I actually think that we can go bipartisan on infrastructure, maybe even more so than we can on DACA. Because the difference is we want to help DACA; you don't. Okay? (Laughter.) I'm kidding. I'm sure you do. I hope we can.

By the way, while we're at a table, I hope we can do DACA. That's currently up. Everybody is in there working hard on it right now. I think we can have a chance to do DACA very bipartisan. I think that can happen, and I hope we're going to be able to do that, Senator.

SENATOR BROWN: It's important (inaudible).

THE PRESIDENT: And I think we will.

On infrastructure, which is the purpose of what we're doing today, come back with a proposal. We put in our bid. Come back with a proposal. We have a lot of people that are great Republicans that want something to happen. We have to rebuild our country.

You know, I said yesterday, we've spent \$7 trillion. When I say "spent," and I mean wasted, not to mention all of the lives — most importantly — and everything else. But we've spent \$7 trillion, as of about two months ago, in the Middle East — \$7 trillion. And if you want to borrow two dollars to build a road someplace, including your state, the great state of Ohio — if you want to build a road, if you want to build a tunnel or a bridge, or fix a bridge, because so many of them are in bad shape, you can't do it. And yet, we spent \$7 trillion in the Middle East. Explain that one.

SENATOR BROWN: We'll have a bipartisan — we have a bipartisan proposal.

THE PRESIDENT: We can do it fast.

SENATOR BROWN: With real dollars on it in infrastructure. We're glad that (inaudible) —

THE PRESIDENT: We can do it fast.

SENATOR BROWN: — and work together on a real infrastructure bill with real dollars, plus what you can leverage in the communities and the private sector.

THE PRESIDENT: Right. Do a combination.

SENATOR BROWN: It needs real dollars.

THE PRESIDENT: I would love to have you get back to us quickly, because we can do this quickly. And we have to rebuild our country. We have to rebuild our roads and our bridges and our tunnels. So the faster you get back, the faster we can move. Focus on DACA this week, if you don't mind. Right? But the faster you get back, the faster we move.

Jackie, you were going to say?

REPRESENTATIVE WALORSKI: Thank you, Mr. President. I'm grateful for your willingness to sit down, listen, and just talk today.

But I represent the recreational vehicle industry in northern Indiana, Elkhart County. We have 85 percent of that market. And I'm a defense hawk, I get what you're saying, I get what we're all saying around this table. We're one of the largest manufacturing districts in this country.

And the problem is, right now, even the mere — when we look balance and we talk about balance, the mere threat of tariffs, right now, from some of my folks that are manufacturing right now — they employ some 15,000 people just in my district in Indiana. And a guy — one of my guys called me this morning, and he said, the mere threat of tariffs, right now, has already raised aluminum and steel costs by 25 percent. Canadian softwood has raised 20 percent. The labor cost to the industry is already up 10 to 15 percent because the job market is so tight.

And this is a market that was 21 percent unemployment when we really had the financial crisis in this country, and now we're down to 2.1 percent. Their concern, my concern, is if we seriously have a balanced effort, and be able to keep and retain a momentum in a place like northern Indiana, and be fair at the same time, I am 100 percent supportive of what you do.

I would just ask that you look at that balance of what it's doing to current employees and giant growth that our tax reform helped just two months ago.

THE PRESIDENT: But what you have to ask your manufacturers too —

REPRESENTATIVE WALORSKI: Sure.

THE PRESIDENT: — and I know some of those manufacturers. They were great to me.

REPRESENTATIVE WALORSKI: Absolutely, yeah.

THE PRESIDENT: And they're friends. And they voted. And they — they're great people. But you have to ask them one question. When you build your product and you send that big, beautiful product that they make like nobody else, and you send that to another country, how much tax does that other country charge them? And therefore, they don't sell it there very much because the tax is so high.

And one of the things we want to do is we want fairness. We don't want what's been happening. Because you look at it and you do well here, but they come in and they compete with you, and we take their product for nothing. And you want to sell your product overseas — which is probably triple the market for you if you ever could get it. But a lot of manufacturers have given up. They've given up on that. They don't even talk.

I will tell you, Harley Davidson — I was saying, well, what's the story? They were saying it's a 75 and 100 percent tax. They got used to it for so many years. For so many years, they weren't even asking me to do this. I mean, I'm doing it for them and others, but they weren't even asking because they've gotten used to it. And your folks have gotten used to it too. Because you take that great product and you sell it overseas, they make it almost impossible for you to do that — not only monetarily with the tax, but they also have other criteria which make it impossible.

REPRESENTATIVE WALORSKI: I understand. But I would say, Mr. President, there's also the second issue that has developed in this country with these corporations in producing the quality of vehicles that they do, the true-American smelters left. And in reference to the costs here, they won't even fill the products of some of these customers because they don't have to, because they got people standing in line to buy — there are so few, right?

THE PRESIDENT: Okay. Let's —

REPRESENTATIVE WALORSKI: So if you can't buy the specs, you're out of a job.

THE PRESIDENT: No, I get it. We want a combination of big competition, including competition from within our country competing against that. And we want to take outside sources. But we want competition and we want the jobs.

REPRESENTATIVE WALORSKI: We want customer service.

THE PRESIDENT: And we want customer service. That's right. Any questions?

Yes. Senator — Lamar.

SENATOR ALEXANDER: Mr. President, thank you so much for —

THE PRESIDENT: How's healthcare going?

SENATOR ALEXANDER: Good. Thanks.

THE PRESIDENT: Good. That's what I hear.

SENATOR ALEXANDER: Thank you for your support and for sticking with us. I talked to Senator Murray about it —

THE PRESIDENT: Good.

SENATOR ALEXANDER: — earlier, and we're making progress.

THE PRESIDENT: Good.

SENATOR ALEXANDER: Thank you very much, and thanks to the Vice President for his work on that.

If I could use two 60-second stories just — I don't know exactly what the tariff is proposed. And I thank you for having us down here before you've made your decision; that's a big help. I thank you for that.

So here are the two examples: I hope you will look carefully at what President George W. Bush did in 2002 when he imposed 30 percent steel tariffs — 30 percent increase — on tariffs from China, South Korea, a couple of other places. The effect was, one, that even though that was only 5 percent of the imported steel, it raised the price of almost all steel in the United States.

Two, at the same time, auto-parts manufacturers who used the steel began to cut jobs and move outside of our country because they could buy the steel there, make the part, and ship the part back in without any tariff. And we found there were 10 times as many people in steel-using industries as there were in steel-producing industries. And so according to the auto manufacturers, they lost more jobs than exist in the steel industry.

So that's — so the questions would be, will it raise prices —

THE PRESIDENT: Lamar, it didn't work for Bush, but nothing worked for Bush. (Laughter.)

SENATOR ALEXANDER: Well, no, I wouldn't—

THE PRESIDENT: It didn't work for Bush but it worked for others. It did work for others. But you're right, it did not work for Bush.

SENATOR ALEXANDER: Well, it's a — I'm not recommending any solution. I'm just saying it's worth looking at what happened because it backfired, raised prices, and lost jobs.

And then the other 60-second story is, my dad worked for Alcoa in the smelting plant in Tennessee. We don't have smelting plants for aluminum anymore because you have to use a lot of electricity to make them, and they're never coming back really. I think we only have six left.

So now we're lucky enough there to be making auto parts from aluminum, for cars. Jobs are coming back up. But if we put a tariff on the ingots that come in from overseas, that will raise the prices and that will hurt. Our aluminum comes from Canada. None from China. So I hope you'll look carefully at where the aluminum comes from.

THE PRESIDENT: Okay.

SENATOR ALEXANDER: So thank you very much for —

THE PRESIDENT: And you're right. Now, I have to say this: Canada has treated us very, very unfairly when it comes to lumber and timber. Very unfairly. So we have to understand that. You know, it's not just one thing or another. Canada has been very tough on this country when it comes to timber, lumber, and other things.

And they have not been easy when it comes to Wisconsin and our farmers. Because you try and ship product into Canada, if you're a farmer — if you are a farmer up in Wisconsin and other places — you try and ship your things up to Canada, it's been a very tough — it's been a very tough situation for them, I will say that.

But I agree with what you're saying. It's very much a double-edged sword.

Ron.

SENATOR JOHNSON: Well, you mentioned Wisconsin, so —

THE PRESIDENT: Good.

SENATOR JOHNSON: — you understand that I was obviously manufacturing for 30-some years. And I've exported a lot of products though. The fact of that matter is, Mr. President, Wisconsin operates a trade surplus with both Canada and Mexico, because we not only export manufacturing products but also agricultural products. And trade works very well for Wisconsin.

I agree with the concerns that you just pressed, as well as the concerns of Senator Toomey and Senator Lee. What we have is the basic root cause of this problem is a massive overcapacity — primarily China, that's true. How do you address that? And I think we need to be very cautious without raising increase — without raising prices.

Senator Alexander was talking about 2002. Spot prices increased somewhere between 69 and 82 percent. Producer prices went up from 19 to 27 percent.

Now, let me add just another dimension to this nobody has really talked about. We've talked about jobs; absolutely, we want the highest paying jobs. I think tax reform is going to juice the economy. And with such a tight labor market, I think wages are already increasing.

In Wisconsin, a big manufacturing state, in seven years I have not visited one manufacturer that could hire enough people. That was certainly my experience in the last 20, 25 years. For a host of reasons, we tell our kids you have to get a four-year degree. We pay people not to work. So we do need to be concerned about, in such a tight labor market, do we have enough workers in manufacturing.

So my final point is, it makes no sense for me to try and bring back high labor-content manufacturing to America. We need to do the value added things. And so I would just say, proceed with real caution there. Trade abuses — address those, attack those. Try and figure out how to address this massive over-supply in the steel industry, but do it very carefully, because we have experienced —

THE PRESIDENT: You're right, Ron. I agree.

SENATOR JOHNSON: Okay.

THE PRESIDENT: I agree with you 100 percent. I do have to say that we do have a pool of 100 million people, of which some of them — many of them want to work; they want to have a job. A lot of them do better not working, frankly, under the laws. And people don't like to talk about it. But you're competing against government. And they have great potential. They sort of want to work, but they're making less if they work than if they stay home and do other things.

So we have to address that situation. That's a big problem.

But we have a pool of 100 million people, a lot of whom want to work. We will also have a much more merit-based immigration policy, where we're going to bring in people that are going to be great workers, and they'll really fill up Foxconn and all of the places. Like, I was very instrumental in getting you Foxconn, as you know, through my friendships with that great company. And they're going to Wisconsin; it's going to be incredible. They're going to employ tremendous numbers of people. They're going to build one of the biggest plants in the world. So it's going to be very exciting.

But people will move there, but we do have a big pool of people that want to work, and they can.

Just to address the one other point — we have a trade deficit with Canada. We have a big imbalance of at least \$17 billion. And with Mexico, we have an imbalance, we have a trade deficit of \$71 billion, and I believe that number is really much higher than that.

I might ask Bob Lighthizer to just discuss that. But were you going to say one other thing, Ron?

SENATOR JOHNSON: Sure. Just as long as you brought up the whole immigration debate, there is absolutely no doubt that we have to fix our horribly broken legal immigration system. One of my proposals is literally a three-year guest worker visa program, managed by the states. Let the states determine what industries — they can set the wage rates, and they can completely control that process.

So I'm hoping, as part of this bipartisan process, that we actually fix our horribly broken legal immigration system so we do have the workers, and it has to be merit-based. So I ask my Democratic colleagues, please work with us, let's fix the DREAMer problem, but let's also fix our horribly broken legal immigration system.

THE PRESIDENT: Good. Thank you, Ron.

Yes, go ahead.

SENATOR CASEY: I just want to make a point about — back to 232. I'll focus on steel 232 in Pennsylvania. In your opening, you talked about the job impact, as well as the national security impact, and I'm glad you raised both. I'll just focus on national security.

In Western Pennsylvania, as well as in Eastern Pennsylvania, you have two examples among several. But the two are AK Steel in Western Pennsylvania. They are the last remaining manufacturer of electrical steel, meaning the steel that goes into our electricity grid. They've been hammered by this, as you know.

In the eastern part of the state, as Senator Young from Indiana mentioned, ArcelorMittal —

THE PRESIDENT: They've been hammered by what?

SENATOR CASEY: Hammered by not having the remedy — the 232 remedy.

THE PRESIDENT: Okay.

SENATOR CASEY: To the extent that you can focus on that, I think the steel executives — the letter they sent you on the 1st of February, I think, outlines the problem. But this really is a national security issue.

THE PRESIDENT: Why didn't the previous administration help the steel workers? Why didn't the previous administration work on 232?

SENATOR CASEY: Well, look, I think there are a lot of us that had disagreements over the years, with the administration then, about being more aggressive on this issue.

THE PRESIDENT: Tremendous disservice.

SENATOR CASEY: I just hope that in this — I know it's a 90-day period you're in, but I hope you can promptly determine it.

THE PRESIDENT: Good. Thank you very much. I appreciate it.

Rob.

SENATOR PORTMAN: Mr. President, I agree with Bob that that's a good example. AK Steel is the last electrical steel manufacturer; 101 percent increase over the last year in electrical steel coming into our country. It's a small market, but it's a critical market. They tell us that if they don't get relief, they're going to pull out of this business, so we won't have the steel that goes into our transformers and our grid.

And so I think it is a good example. But what I would say, sir — and we've talked about this before — any response here needs to be targeted, and electrical steel is the place to target it. The other place, I think, is the oil country product that was talked earlier. This is pipe and tube. Eighty-two percent increase there. And, frankly, most is coming from Korea, and Korea doesn't have a single rig. In other words, they're taking Chinese steel for the most part, and it's, in effect, transshipping it to us.

THE PRESIDENT: They're doing a lot of transshipping.

SENATOR PORTMAN: And that's hurting our ability to continue to have this energy independence we talked about.

So those are two specific areas where I do think that there's an opportunity to do something and to use 232, which is a national security, as opposed to 201, which is what President Bush used.

But let me tell you, with regard to rolled steel and with regard to other products, as Senator Brown said, we've had some pretty good success by going after them with regard to unfair trade practices. And that's the Level the Playing Field Act, which is just now being implemented. And as I told you before, I think even stronger enforcement of that would be great because that will enable us —

THE PRESIDENT: Well, they had little enforcement before. We're very strongly enforcing it now. And, Wilbur, you might want to talk about that. But we are very strongly — but they have had not good enforcement previous to this.

SENATOR PORTMAN: And the second part of this — and you're right — is with regard to the Enforce Act. And that's — and again, Ron Wyden and Senator Brown and I and others have worked on this. But what it says is that if a country transships — in other words, sends their steel, say, to Malaysia, which we believe happens with regard to Chinese steel, puts a different stamp on it, "Made in Malaysia," and then sends it here — we need to be more aggressive in going after them. And it's just a matter of Customs and Border Protection having so many other responsibilities right now.

But we can do more with our existing laws as well. And I think 232 is part of the overall response, but it needs to be targeted. I agree with what Senator Alexander and others have said about the balance, Senator Toomey and others. You got to be careful because we don't want to increase the cost to our consumers of all these steel products that go into our other manufacturing. But there are areas, like electrical, like pipe and tube, where we've got to stand up and help to defend, in the case of electrical, our last American manufacturer.

THE PRESIDENT: Right. Well, you know, Rob, we have steel coming into our country from countries that don't even know what steel is. They don't make it, they never made it. It's transshipping. It's coming from China and some others, but mostly from China. And they send it through countries that don't make steel, and it comes pouring into our country — and free. Free. And it's a very bad — very bad situation.

Kevin.

REPRESENTATIVE BRADY: Yeah, so, one, I think everyone in this room supports you aggressively holding China accountable for its overcapacity in a major way. Thank you for that.

232 is a little like old-fashioned chemotherapy. It isn't used as much because it can often do as much damage as good. And an example — it happens all around the country — but we send steel pellets from Corpus Christi over to Austria, to this company that does this amazing job — super-refined, specific job.

We bring it back to Navasota, Texas — my district — refine it even further. Sell it to many American energy companies who use that specialized steel to compete and win against Russia and China and all the other countries. If transactions like that, that are pretty typical around the country, get caught up, in that case we punished three American manufacturing industries for that, all of whom, by the way, are looking at expanding because of your tax reform plan.

THE PRESIDENT: That's right.

REPRESENTATIVE BRADY: And so my point is — so we have to be really targeted. You have to be really targeted here. Also, we've got allies with us against China's unfair trade practices. We have to be careful, as you look at these decisions, to target it, to make sure our allies are with us as we do this.

THE PRESIDENT: Okay. Very good. Thank you, Kevin.

Go ahead, Rick.

REPRESENTATIVE CRAWFORD: Thank you, Mr. President. One thing I want to point out — we had the conversation about the national security imperative, and I think we've looked at it in the context of the defense industry.

And I just wanted to add one thing to that: It's our ability to address our own inputs — not just addressing the needs of the defense industry, but our ability to produce for our own consumption as we take on infrastructure projects and so on.

THE PRESIDENT: Right. That's right.

REPRESENTATIVE CRAWFORD: So I think we don't just need to focus on those percentages but also, broadly, how this impacts our ability to provide for our own inputs.

And then, one other thing I wanted to mention is, 74 percent capacity right now here in the United States. The steel industry is losing market share, and that translates to —

THE PRESIDENT: Rapidly.

REPRESENTATIVE CRAWFORD: — economic loss in communities, as Representative Bost — he and I co-chair the steel caucus, and so we're very keenly aware of what this can do to these communities when we don't have that kind of certainty.

THE PRESIDENT: Good. Thank you, Rick. Thank you very much.

Senator.

SENATOR PETERS: Hello, Mr. President. I appreciated your comments about Michigan and the auto industry. I'd like to say that a big reason why those jobs are coming back is because we have the best workers anywhere in the world here.

THE PRESIDENT: Well, that's also true. I agree.

SENATOR PETERS: That's why we're here. And they can build it on time and build it with outstanding qualities, as long as the rules are fair.

So I appreciate this issue. And it should be —

THE PRESIDENT: You do have great workers. The problem is you didn't have good policy, and that's why so many jobs left. But now they're coming back. And they like coming back to Michigan.

SENATOR PETERS: Well, they'd love coming back to Michigan, as long as we have fair rules and —

THE PRESIDENT: Right.

SENATOR PETERS: — so have to continue to push this forward.

I would like to pick up on Senator Alexander's comments, too, is that we also have to be concerned about the auto parts industry as well.

THE PRESIDENT: Right.

SENATOR PETERS: We have probably more jobs in auto parts in Michigan than any other of the industrial sector, so they all go together.

We've got to deal with the steel pricing issue. I agree with everything that's been said here. But then we can't have the dumping of auto parts that will take away Michigan jobs as well as jobs around the country.



THE PRESIDENT: You're right.

SENATOR PETERS: And if I could just bring up one other issue that I think we should take a look at. I'm working in a bipartisan way with Senator Burr on an issue related to the Commerce Department having the ability to self-initiate trade enforcement actions smaller than industries like steel or aluminum or washing machines — is that we have small businesses that don't have the resources, quite frankly, to bring a trade enforcement case —

THE PRESIDENT: Good point.

SENATOR PETERS: — to go through the lawyers to do that. In Michigan, for example, we have cherries. Right now, we've got the dumping of cherries that's making it very difficult for our growers in Michigan. But they don't have the resources to bring those kinds of enforcement actions.

So we're working on legislation to give Secretary Ross, the Department of Commerce, more tools to help our small businesses.

THE PRESIDENT: I like that.

SENATOR PETERS: And I'd love to have your help.

THE PRESIDENT: You have my help. I think it's a fantastic idea. Because you're right — they can't hire the lawyers, it's too small. But it's — you know, in a double way, it's very, very big.

Wilbur, are you working on that?

SECRETARY ROSS: Yes, sir.

THE PRESIDENT: Good.

SECRETARY ROSS: As you know, for the first time in many years, the Commerce Department did initiate — self-initiate — it happened — it was in a big industry. It was in aluminum.

But there are limitations to what a conventional trade case can do, and the main limitation is it doesn't prevent people from the transshipment through other countries. And of lot of what 232 can do for us is to solve that problem.

And 232 doesn't have to mean the same tariff on every single country. It doesn't have to mean the same tariff on every single product. It can be applied in a much more surgical way. And we presented the President with a range of alternatives that goes from a big tariff on everything from everywhere, to very selective tariffs from a very selective group of countries.

There are one of two countries that figure quite prominently in all of the lists, and those names will come as no surprise to you. But, for example —

THE PRESIDENT: And the problem you have with that, though, is transshipping.

SECRETARY ROSS: Yes.

THE PRESIDENT: You think you're going to put a pinpoint on a country, but then they ship it to other countries that you're not even thinking about.

SECRETARY ROSS: Right. And so —

THE PRESIDENT: So you have to be careful with that.

SECRETARY ROSS: Yeah. So what the 232 would let us do is to have quotas on the countries that we weren't putting a tariff. (Inaudible) at what they're shipping in now. So it's not going to restrict supply, but it would prevent the evildoers from transshipping more goods through that country.

THE PRESIDENT: Evildoers. That's a good word. Of which there are many. (Laughter.)

SECRETARY ROSS: Yes, there are — there are, Mr. President.

THE PRESIDENT: You're doing a good job, Wilbur. Thank you.

SECRETARY ROSS: Thank you, Mr. President.

THE PRESIDENT: We've been very — we've been tough.

Go ahead. Fellas.

REPRESENTATIVE JOHNSON: Mr. President, the comments that have been made here — been made today about balance is absolutely essential. I mean, managing job creation and controlling cost at the same time has got to be the major factors in this mix.

Two points that I'll make.

THE PRESIDENT: And deficits too? Deficits too?

REPRESENTATIVE JOHNSON: Absolutely.

THE PRESIDENT: You know, there are some people who don't believe in deficits. They think it doesn't matter. To me, I think it matters a lot.

REPRESENTATIVE JOHNSON: I think it matters a lot.

Two points that I'll make. One, to, kind of, put a stamp on what Senator Portman said, AK Steel is the only manufacturer in America that makes the electrical steel that is necessary for the transformers that feed and produce electricity in our electric grid. China — we are at risk of losing that industry; and if we lose that, we are absolutely, potentially at hostage by the Chinese for management and maintenance of our electrical grid.

Number two, you've made a big case, and I think you have, rightfully so, told the world that America is open for business. And the regulatory reforms that you've done, the tax reforms that you have done, has put America back in business.

One of the biggest businesses that is promoting job creation today is the oil and gas industry.

THE PRESIDENT: Right.

REPRESENTATIVE JOHNSON: And in Eastern and Southeastern Ohio, big projects like ethane cracker plants, they require a tremendous amount of steel.

We've got to make sure that whatever we do in this formula keeps cost down because those projects are huge. I mean, they are massive. You're talking about \$6- to \$8-billion projects, and big cost increases in steel could be a big deal.

So we got to balance the job creation with the cost.

THE PRESIDENT: I agree. I agree. And I know that area very well. You're right.

Yes.

REPRESENTATIVE SMITH: Thank you, Mr. President. At home in Southeast Missouri, we have a real example of where we lost 900 jobs in March of 2016 because our aluminum smelter closed. And I believe that these aluminum smelters can be reopened.

I don't fall underneath the premise —

THE PRESIDENT: And for a different reason, too. Because of what we've done, our energy prices are going so low, our electric costs are going so low, that other countries aren't going to be able to compete with us. We're really doing a great job of bringing them down. And a lot of that had to do with the tax cuts, but it has to do with lots of other things, too.

REPRESENTATIVE SMITH: Exactly.

THE PRESIDENT: Go ahead. Tell me about that.

REPRESENTATIVE SMITH: When you look at Southeast Missouri, the median income household is \$40,000. It's one of the poorest congressional districts in the country. And when we lost 900 jobs, with the average salary of \$70,000 a year, that hit home in the Bootheel of Missouri.

And without a doubt, if you just look at the numbers of the aluminum production in China that in 2000 was 10 percent of the world's production, and in 2015 was 54 percent, there's a problem, Mr. President. And I believe that we can have the production back, and we have a vacant facility in New Madrid, Missouri that we want to open, and we want to create more jobs.

And I applaud you for looking at 232, and looking at a reasonable approach to make sure that we're open for business in all industries, not just one.

THE PRESIDENT: Well we all have to remember that there is no tax or there is no tariff, if they come in and build plants in this country. So there is no — we're just talking about something, but there is nothing.

Steel is a little bit different than a car. It's a little bit different than a washing machine or any of the other things that we're doing or talking about doing. But nevertheless, you build your factory, you build your plant in the United States, there is no tax. So that's a big difference. That's why I think you're going to see General Motors — they're coming back. A lot of companies are coming back, and they're coming back to areas that you represent. It's a good feeling. That's a really good feeling.

Maybe I'll just have Bob finish up. Do you want to do that? Roy, were you going to say something real fast?

SENATOR BLUNT: I was just going to say, like the AK Steel, we need to be very careful here. There is only one American producer, but there are lots of American buyers. Those electric motors in the washing machine, the generators, the grid — all of that is dependent, currently, on a lot of electric steel coming from somewhere else.

I think the balance of keeping that company in business —

THE PRESIDENT: It's a good balance.

SENATOR BLUNT: — while you keep all these other companies — it's going to take a long time to either expand or have more competitors here. So we need to be very thoughtful about all the other buyers of that product that has only one American source. So it is a great example, but it's a great example to remember that washing machine motor, as well as all the other things that electric steel is used for, sir.

THE PRESIDENT: That's a good point. The word "balance" is a very important word.

SENATOR BROWN: Can I add one other point —

THE PRESIDENT: Yes, go ahead.

SENATOR BROWN: — taking off on what Roy said. As you apply — as you and Secretary Ross apply 232 — and I understand the cautionary notes from some of my colleagues — I think it's important that we always keep in mind China's excess capacity. And China's excess capacity doesn't mean you aim 232 just at China. Because China's excess capacity, as you point out, is spread elsewhere. And the best example was your comment on oil country, tubular steel through Korea. As Rob said, Korea doesn't drill itself. It's just the pass-through point.

But because China's excess capacity has, in some ways, affected steel production — or steel sales, not production — throughout the world, it's important that 232 be aimed at China's excess capacity and countries all over the world.

THE PRESIDENT: Right. I agree with that. Maybe you could just — a very brief discussion of where you are with NAFTA. Because this is the group that is very interested in NAFTA.

AMBASSADOR LIGHTHIZER: Well, I've spoken to some of these members here. And, Mr. President, I think we're making progress on NAFTA. There was a lot of anxiety at one point as to whether or not we'd be in a position where would have to withdraw in order to get a good agreement.

Our view is, number one, that NAFTA has not served the United States well in all respects. It has served some people very well, but other people and overall it has not done a good job. I think we're making real headway. I feel like, particularly with respect to the Mexicans, that we are making headway. We have a number of issues that we still have to work our way through, but I'm hopeful that we'll be in the position — I think that most important — to get a good deal, one that you'll find acceptable.

But most importantly, I want it to be an agreement that the vast majority of Republicans and Democrats support. I think this is very important that we have a new paradigm in steel, that we get 20 or 25 Democrats in the Senate and a large number of them in the House to vote for this deal, as well. Of course (inaudible) and I think that's very much in reach; it's something that we can do.

THE PRESIDENT: Well, I want to thank everybody very much. I really would like to see you come back with a counterproposal on the infrastructure. I think we're going to get that done. I really believe that's — we're going to get a lot of Democrats; we're going to get a lot of Republicans. We're going to get it done. It's something we should do. We have to fix our country. We have to fix our roads and our tunnels and bridges and everything.

So, if you can, work together on that. And I am ready, willing, and able. It's very important.

And then, of course, this week I know you're working very hard on DACA. Everybody in the room wants DACA. And let's see if we can get that done, and it would be a great achievement. They've been talking about it for many years, and, if we could do it, it would be a great achievement. And it would be something — on a humane-basis, would be excellent.

So I want to thank you all for being here. If you have any suggestions, call me, call Gary, call Wilbur, call Bob. But I very much appreciate you being here. And if it's necessary, we'll have another meeting to iron out some points.

But on infrastructure, that is such a natural for us to get done, and I think we can probably do it.

Thank you all very much. Thank you.

END  
12:37 P.M. EST



The White House

- [Live](#)
- [Jobs](#)
- [Get Involved](#)
- [Copyright Policy](#)
- [Privacy Policy](#)
  
- [Twitter](#)
- [Facebook](#)
- [Instagram](#)
- [Contact](#)



- [News](#)
- [Issues](#)
- [The Administration](#)
- [About The White House](#)
- [Get Involved](#)
  
- [Economy](#)
- [National Security](#)
- [Budget](#)
- [Immigration](#)
- [The Opioid Crisis](#)



Close Search

Type Your Search | Type Your Search... | Press enter to search